

09.08.2003 sessions 1 and 2

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----x
In the Matter of Arbitration
Between:

CHARANJIT SAHNI, HARPREET SAHNI, NASIMANG
ENTERPRISES AVV/NASIMANG TRUST by NAND SAHNI and
CHARANJIT SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT SAHNI CUSTODIAN
SIMRAN SAHNI UTMA,

Claimants,

- against -

FIRST and SECOND
SESSIONS

PRUDENTIAL SECURITIES INCORPORATED,
STUART SKLAR, MARTIN KENNEDY,
ANDREA KLEIN, and ASH RAJAN,

Respondents.

-----x

Regent Wall Street
55 Wall Street
New York, New York

September 8, 2003
9:45 a.m.

B E F O R E:

ROBERT E. ANDERSON, ESQ.,
Chairman,

ROBINA F. ASTI
ROBIN R. HENRY,

Arbitrators.

A P P E A R A N C E S:

FOR THE CLAIMANTS:

SCHIRRMESTER AJAMIE, L.L.P.
Pennzoil Place - South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002

BY: THOMAS R. AJAMIE, ESQ.
- and -

DEBORAH L. MALLOY, Legal Assistant

- AND -

SCHIRRMESTER AJAMIE, L.L.P.
1350 Avenue of the Americas
New York, New York 10019

BY: WALLACE A. SHOWMAN, ESQ.

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09.08.2003 sessions 1 and 2
- AND -

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753

BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street, 30th Floor
New York, New York 10004

BY: MATTHEW FARLEY, ESQ.,
BRIAN F. McDONOUGH, ESQ.,
JENNIFER A. KLEAR, ESQ.
- and -
KATHLEEN DONOHUE, ESQ.

A P P E A R A N C E S: (Continued)

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.,
Arbitration Counsel

MARILYN MOLINA,
Legal Assistant-NYSE
CHARANJIT SAHNI
HARPREET SAHNI
STUART SKLAR
MARTIN KENNEDY
ANDREA KLEIN
ASH RAJAN
GREGORY P. CANDELA, ESQ.,
Prudential Financial

JAMES L. ROTHENBERG, ESQ.

ROBERT LAU

THE CHAIRMAN: Back on the record. This is the second session in the matter of the arbitration between the Sahni interests and Prudential, et al.

I would like to start, there are quite a few people in the room today, I would like to start by having each individual identify him or herself, what your affiliation is and what your status is with respect to whether it be testifying as a witness, a party, et cetera.

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09.09.2003 sessions 3 and 4

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----X
In the Matter of Arbitration
Between:

CHARANJIT SAHNI, HARPREET SAHNI, NASIMANG
ENTERPRISES AVV/NASIMANG TRUST by NAND SAHNI and
CHARANJIT SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT SAHNI CUSTODIAN
SIMRAN SAHNI UTMA,

Claimants,

- against -

THIRD and FOURTH
SESSIONS

PRUDENTIAL SECURITIES INCORPORATED,
STUART SKLAR, and MARTIN KENNEDY,
Respondents.

-----X
Regent Wall Street
55 Wall Street
New York, New York
September 9, 2003
9:45 a.m.

B E F O R E:

ROBERT E. ANDERSON, ESQ.,
Chairman,

ROBINA F. ASTI
ROBIN R. HENRY,

Arbitrators.

A P P E A R A N C E S:

FOR THE CLAIMANTS:

SCHIRMEISTER AJAMIE, L.L.P.
Pennzoil Place - South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002

BY: THOMAS R. AJAMIE, ESQ.

- and -

DEBORAH L. MALLOY,
Legal Assistant

- and -

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753

BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street, 30th Floor
Page 1

09.09.2003 sessions 3 and 4
New York, New York 10004
BY: MATTHEW FARLEY, ESQ.
- and -
BRIAN F. McDONOUGH, ESQ.

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.
Arbitration Counsel
CHARANJIT SAHNI
HARPREET SAHNI
STUART SKLAR
MARTIN KENNEDY

A P P E A R A N C E S : (continued)

ALSO PRESENT:

GREGORY P. CANDELA, ESQ.
Prudential Financial
JAMES L. ROTHENBERG, ESQ.
ROBERT LAU

THE CHAIRMAN: We are back on the record. This is the third session in the matter of the arbitration between the Sahni interests and Prudential.

We are continuing with Mr. Kennedy's direct examination by Mr. Ajamie. I remind the witness he is still under oath.

MR. FARLEY: Mr. Chairman, there's an item that we did not discuss yesterday, because it wasn't raised by counsel, and I didn't realize the turn it had taken.

Sometime last week, a letter arrived from Mr. Sahni to Mr. Kreuter advising two things: 1, that Prudential Securities, Inc. is now named Prudential Equities Group; and, therefore, that perhaps some change to the caption is in order; and the second point of that letter said, and we think Wachovia should also be added as a party.

We wrote back saying that we were indifferent on the first issue, because it was in fact a name change, didn't seem to matter a whole lot; but Wachovia is not a party. And we invited

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09.10.2003 sessions 5 and 6

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----x
In the Matter of Arbitration
Between:

CHARANJIT SAHNI, HARPREET SAHNI, NASIMANG
ENTERPRISES AVV/NASIMANG TRUST by NAND SAHNI and
CHARANJIT SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT SAHNI CUSTODIAN
SIMRAN SAHNI UTMA,

Claimants,

- against -

FIFTH and SIXTH
SESSIONS

PRUDENTIAL EQUITY GROUP, INC.,
STUART SKLAR, and MARTIN KENNEDY,
Respondents.

-----x
Regent Wall Street
55 Wall Street
New York, New York
September 10, 2003
9:40 a.m.

B E F O R E:

ROBERT E. ANDERSON, ESQ.,
Chairman,

ROBINA F. ASTI
ROBIN R. HENRY,

Arbitrators.

A P P E A R A N C E S:

FOR THE CLAIMANTS:

SCHIRRMESTER AJAMIE, L.L.P.
Pennzoil Place - South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002

BY: THOMAS R. AJAMIE, ESQ.,
DEBORAH L. MALLOY, Legal Assistant

- and -

TWILA HUSO, Legal Assistant

- AND -

SCHIRRMESTER AJAMIE, L.L.P.
1350 Avenue of the Americas
New York, New York 10019

BY: WALLACE A. SHOWMAN, ESQ.
(Fifth Session Only)

- AND -

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753

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09.10.2003 sessions 5 and 6

BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street, 30th Floor
New York, New York 10004

BY: MATTHEW FARLEY, ESQ.
- and -
BRIAN F. McDONOUGH, ESQ.

A P P E A R A N C E S : (continued)

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.
Arbitration Counsel

CHARANJIT SAHNI

HARPREET SAHNI

STUART SKLAR

MARTIN KENNEDY

GREGORY P. CANDELA, ESQ.,
Prudential Financial

JAMES L. ROTHENBERG, ESQ.

ROBERT LAU

JOHN CIONE

THE CHAIRMAN: We will go back on the record. This is the fifth session in the matter of the arbitration between the Sahni interests and Prudential.

As the first order of business this morning, claimants have offered a binder containing the account statements for the four accounts at issue, and those will be received into evidence as Claimants' 57. The entire binder will be marked as Claimants' 57.

(Received in evidence.)

MS. ASTI: We can't proceed. I don't have a pen.

THE CHAIRMAN: You do now (handing).

MS. ASTI: Thank you.

THE CHAIRMAN: Okay. Very good.

MR. AJAMIE: And then, Mr. Chairman, what we have done, and maybe I can let the respondents' lawyers look at this, they gave us order tickets,

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09.12.2003 sessions 9 and 10

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----x
In the Matter of Arbitration
Between:

CHARANJIT SAHNI, HARPREET SAHNI, NASIMANG
ENTERPRISES AVV/NASIMANG TRUST by NAND SAHNI and
CHARANJIT SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT SAHNI CUSTODIAN
SIMRAN SAHNI UTMA,

Claimants,

- against -

9th and 10th
SESSIONS

PRUDENTIAL EQUITY GROUP, INC.,
STUART SKLAR, and MARTIN KENNEDY,
Respondents.

-----x
Regent Wall Street
55 Wall Street
New York, New York
September 12, 2003
9:40 a.m.

B E F O R E:

ROBERT E. ANDERSON, ESQ.,
Chairman,

ROBINA F. ASTI
ROBIN R. HENRY,

Arbitrators.

A P P E A R A N C E S:

FOR THE CLAIMANTS:

SCHIRRMESTER AJAMIE, L.L.P.
Pennzoil Place - South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002
BY: THOMAS R. AJAMIE, ESQ.
DEBORAH L. MALLOY, Legal Assistant
- and -
TWILA HUSO, Legal Assistant
- AND -

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753

BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street, 30th Floor
Page 1

09.12.2003 sessions 9 and 10
New York, New York 10004
BY: MATTHEW FARLEY, ESQ.
- and -
BRIAN F. McDONOUGH, ESQ.

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.,
Arbitration Counsel
CHARANJIT SAHNI
HARPREET SAHNI
STUART SKLAR

A P P E A R A N C E S: (Continued)

ALSO PRESENT:

MARTIN KENNEDY
GREGORY P. CANDELA, ESQ.,
Prudential Financial

ROBERT LAU

JOHN CIONE

THE CHAIRMAN: We are back on the record. This is the ninth session in the matter of the arbitration between the Sahni family interests and Prudential.

We'll start this morning with the new witness. Would you swear the witness in, please.

R O B E R T E. M O R R I S S E Y, J R.,
having been first duly sworn by the Notary Public, was examined and testified as follows:

THE COURT REPORTER: Would you state your full name for the record, please.

THE WITNESS: Robert E. Morrissey, Jr.

DIRECT EXAMINATION

BY MR. AJAMIE:

Q Good morning, Mr. Morrissey.

A Good morning.

Q My name is Tom Ajamie. I'm a lawyer for the Sahni family.

Have you ever given testimony before in an arbitration proceeding?

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12.01.2003 sessions 11 and 12

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----X
In the Matter of the Arbitration

Between:
CHARANJIT SAHNI, HARPREET SAHNI,
NASIMANG ENTERPRISES AVY/NASIMANG
TRUST by NAND SAHNI and CHARANJIT
SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT
SAHNI CUSTODIAN SIMRAN SAHNI UTMA,

Claimants,

-against-

PRUDENTIAL SECURITIES INCORPORATED,
STUART SKLAR, MARTIN KENNEDY,
ANDREA KLEIN, and ASH RAJAN,

Respondents.

-----X
20 Broad Street
Hearing Board Room II
December 1, 2003
10:45 a.m.

BEFORE:

ROBERT E. ANDERSON, ESQ., Chairperson
ROBINA F. ASTI, Arbitrator
ROBIN R. HENRY, Arbitrator

A P P E A R A N C E S :

FOR THE CLAIMANTS:

SCHIRMEISTER AJAMIE, L.L.P.
Pennzoil Place, South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002

BY: THOMAS R. AJAMIE, ESQ.,
DEBORAH L. MOLLOY, Legal Assistant
TWILA HUSO, Legal Assistant

-and-

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753
BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street
New York, New York 10004

BY: MATTHEW FARLEY, ESQ.
KATHLEEN DONOHUE, ESQ.

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.,
Arbitration Counsel

12.01.2003 sessions 11 and 12

MARILYN MOLINA, Legal Assistant-NYSE
CHAANJIT SAHNI
HARPREET SAHNI
JOHN CIONE

THE CHAIRPERSON: We are back on the record, this is the 11th session in the matter of the arbitration between Sahni interests and Prudential.

One thing, just as a way of additional disclosure; I recently started a Prudential arbitration involving another claimant at the NASD, that proceeding is ongoing, just putting that out there so people know what I am doing.

MR. FARLEY: You're arbitrating, not prosecuting?

THE CHAIRPERSON: Yes, that would be tricky.

The panel has also met in executive session in regard to the additional discovery requests and we are satisfied with the responses that we have received from respondent, and to the extent there is any followup you need to do on those, please complete the process, I believe you have indicated a few of them you are still trying to find things, you have made inquiries, and it possibly

hasn't come back to you yet; if that's the case, follow through on that, but we are satisfied with the responses.

MR. FARLEY: There has already been followup on the open items.

MR. AJAMIE: May I receive clarification on some of these then, please.

THE CHAIRPERSON: I think everything really the panel is interested in and concerned with has been stated in the responses and specifically numbered in accordance matching with your requests, that's about as far as we want to take it.

MR. AJAMIE: No. 1, branch supervision, just so I am clear, I guess they have something that Ms. Tsighis has collected over a period of time and is that available for me to see?

MR. FARLEY: Well, we have the five manuals that are described as not Ms. Tsighis's set, another set we have procured and we made it available to you since the day you got my letter.

MR. AJAMIE: And still

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12.02.2003 sessions 13 and 14

NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----X
In the Matter of Arbitration

Between:
CHARANJIT SAHNI, HARPREET SAHNI,
NASIMANG ENTERPRISES AVY/NASIMANG
TRUST by NAND SAHNI and CHARANJIT
SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT
SAHNI CUSTODIAN SIMRAN SAHNI UTMA,

Claimants,

-against-

PRUDENTIAL SECURITIES INCORPORATED,
STUART SKLAR, MARTIN KENNEDY,
ANDREA KLEIN, and ASH RAJAN,

Respondents.

-----X
20 Broad Street
Hearing Board Room II
December 2, 2003
11:00 a.m.

BEFORE:

ROBERT E. ANDERSON, ESQ., Chairperson
ROBINA F. ASTI, Arbitrator
ROBIN R. HENRY, Arbitrator

A P P E A R A N C E S :

FOR THE CLAIMANTS:
SCHIRRMESTER AJAMIE, L.L.P.
Pennzoil Place, South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002
BY: THOMAS R. AJAMIE, ESQ.,
DEBORAH L. MOLLOY, Legal Assistant

-and-

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, Suite 201
Jericho, New York 11753
BY: RINA SPIEWAK, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH LLP
30 Broad Street
New York, New York 10004
BY: MATTHEW FARLEY, ESQ.
BRIAN F. McDONOUGH, ESQ.
KATHLEEN DONOHUE, ESQ.

Page 1

12.02.2003 sessions 13 and 14

ALSO PRESENT:

ROBERT E. KREUTER, ESQ.,
Arbitration Counsel
MARILYN MOLINA, Legal Assistant-NYSE
CHARANJIT SAHNI
HARPREET SAHNI
STUART SKLAR
MARTIN KENNEDY
ASH RAJAN
GREGORY P. CANDELA, ESQ.
ROBERT LAU
JOHN CIONE
LINDA BLAKEY
CAROLYN ANTHONY
STEVE LITTLE
JINEEN PAVESI, Court Reporter

THE CHAIRPERSON: Back on the record, this is the 13th session in the matter of the arbitration between the Sahni interests and Prudential.

We are starting with a new witness this morning and also there is a new gentleman in the back.

MR. AJAMIE: He is with us.

MR. BENTZ: Matthew Bentz.

THE CHAIRPERSON: Counsel, go ahead.

L I N D A B L A K E Y,
having first been duly sworn by a Notary Public of the State of New York, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. AJAMIE:

Q. Good morning.

A. Good morning.

Q. Ms. Blakey, my name is Tom Ajamie and I am a lawyer for the Sahni family and they have brought a claim against Prudential for money lost due to the handling of their account at Prudential.

BLAKEY - DIRECT

Are you aware of that?

A. Yes, I am.

Q. Have you ever given testimony before in an arbitration proceeding?

A. No, I have not.

Q. Have you given a deposition?

A. No, I have not.

Q. What we are going to do today is I am going to ask you some questions about your involvement in the credit department.

Do you understand?

A. Yes.

Q. I need you to speak out loud because everything you say is being taken down by the lady at your left and is being transcribed for us, okay?

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04.01.2004 session 26
NEW YORK STOCK EXCHANGE, INC.
HEARING BEFORE THE ARBITRATORS

-----X
In the Matter of Arbitration

Between:
CHARANJIT SAHNI, HARPREET SAHNI,
NASIMANG ENTERPRISES AVV/NASIMANG SESSION 26
TRUST BY NAND SAHNI and CHARANJIT
SAHNI, CHARANJIT SAHNI CUSTODIAN
ANGAD SAHNI UTMA, and CHARANJIT
SAHNI CUSTODIAN SIMRAN SAHNI UTMA,

Claimants,

-against-

PRUDENTIAL SECURITIES INCORPORATED,
STUART SKLAR, MARTIN KENNEDY,
ANDREA KLEIN, and ASH RAJAN,

Respondents.

-----X
NYSE ARBITRATION
20 Broad Street, Fifth Floor
New York, New York
Thursday, April 1, 2004
10:10 a.m.

B E F O R E:

ROBERT E. ANDERSON, ESQ.,
Chairman
ROBINA F. ASTI
ROBIN R. HENRY,
Arbitrators.

ALSO PRESENT:

ROBERT S. KREUTER, ESQ.,
Arbitration Counsel

MARILYN MOLINA,
Legal Assitant-NYSE

CHARANJIT SAHNI
HARPREET SAHNI
STUART SKLAR
MARTIN KENNEDY
ANDREA KLEIN
ASH RAJAN
GREGORY P. CANDELA, ESQ.
Prudential Financial
JAMES L. ROTHENBERG, ESQ.
ROBERT LAU

04.01.2004 session 26

A P P E A R A N C E S:
FOR THE CLAIMANTS:

SCHIRRMESTER AJAMIE, LLP
Pennzoil Place - South Tower
711 Louisiana, Suite 2150
Houston, Texas 77002

BY: THOMAS R. AJAMIE, ESQ. and
TWILA HUSO, Legal
Assistant

SCHIRRMESTER AJAMIE, LLP
1350 Avenue of the Americas
New York, New York 10019

BY: WALLACE A. SHOWMAN, ESQ.

-AND-

ROBERT H. WEISS & ASSOCIATES, P.C.
50 Jericho Turnpike, St. 201
Jericho, New York 11753

BY: ROBERT H. WEISS, ESQ.

FOR THE RESPONDENTS:

DRINKER BIDDLE & REATH, LLP
30 Broad Street, 30th Floor
New York, New York 10004

BY: MATTHEW FARLEY, ESQ.
BRIAN F. MC DONOUGH, ESQ.
JENNIFER A. KLEAR, ESQ. and
KATHLEEN DONOHUE, ESQ.

E X H I B I T S

ARBITRATOR NUMBER	DESCRIPTION	EVIDENCE
3	Letter dated March 25, 2004	2429
4	Mr. Farley's March 30, 2004 letter	2430
5	Mr. Kreuter's March 31, 2004	2431

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